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SECURITIES AND EXCHANGE COMMISSION  
(Release No. 34- 75722; File No. SR-NYSEARCA-2015-70)

Self-Regulatory Organizations; NYSE Arca, Inc.; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Amending the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services to Modify the Credits the Exchange Provides for Routing Certain Orders to the New York Stock Exchange LLC

August 18, 2015

Pursuant to section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 (the “Act”)<sup>2</sup> and Rule 19b-4 thereunder,<sup>3</sup> notice is hereby given that, on August 3, 2015, NYSE Arca, Inc. (the “Exchange” or “NYSE Arca”) filed with the Securities and Exchange Commission (the “Commission”) the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend the NYSE Arca Equities Schedule of Fees and Charges for Exchange Services (“Fee Schedule”) to modify the credits the Exchange provides for routing certain orders to the New York Stock Exchange LLC (“NYSE”). The text of the proposed rule change is available on the Exchange’s website at [www.nyse.com](http://www.nyse.com), at the principal office of the Exchange, and at the Commission’s Public Reference Room.

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<sup>1</sup> 15 U.S.C.78s(b)(1).

<sup>2</sup> 15 U.S.C. 78a.

<sup>3</sup> 17 CFR 240.19b-4.

## II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of those statements may be examined at the places specified in Item IV below. The Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant parts of such statements.

### A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

#### 1. Purpose

The Exchange proposes to amend the Fee Schedule to modify the Tier 1 and Tier 2 credits the Exchange provides for routing PO+ Orders<sup>4</sup> to the NYSE and make corresponding changes in the Basic Rate pricing.

A PO+ Order is designed to route to the primary listing market of the security underlying the order (i.e., NYSE, NASDAQ, etc.) immediately upon arrival and the order therefore does not rest on the Exchange's order book. Because PO+ Orders do not rest on the Exchange's book, the Exchange charges fees or provides credits for those orders based on the fees or credits of the destination primary listing market, which are the fees and credits that the Exchange is charged by the primary listing market that receives the order.

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<sup>4</sup> A PO+ Order is a Primary Only Order (i.e., a market or limit order that is to be routed to the primary market) that is entered for participation in the primary market, other than for participation in the primary market opening or primary market re-opening. See NYSE Arca Equities Rule 7.31(f)(1)(C).

In a recent rule filing, the NYSE modified its fee structure for equities transaction by decreasing the level of rebate that it provides to its members that provide liquidity from \$0.0015 per share to \$0.0014 per share.<sup>5</sup> In order to maintain the same relationship between the rate that the Exchange charges for a PO+ Order and the rebate provided by the destination venue, the Exchange is also amending the per share credit for PO+ Orders routed to the NYSE that provide liquidity to the NYSE to \$0.0014 per share. The Exchange proposes corresponding changes to the Basic Rate pricing section of the Fee Schedule.

The proposed changes are not otherwise intended to address any other issues, and the Exchange is not aware of any problems that ETP Holders would have in complying with the proposed changes.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act,<sup>6</sup> in general, and furthers the objectives of sections 6(b)(4) and (5) of the Act,<sup>7</sup> in particular, because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers and other persons using its facilities and does not unfairly discriminate between customers, issuers, brokers or dealers.

The Exchange believes that the proposed changes to routing credits for PO+ Orders that provide liquidity to the NYSE are reasonable because the Exchange's credits for routing an order that does not rest on the Exchange's order book, but rather is

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<sup>5</sup> See Securities Exchange Act Release No. 75353 (July 2, 2015), 80 FR 39468 (July 9, 2015) (SR-NYSE-2015-30).

<sup>6</sup> 15 U.S.C. 78f(b).

<sup>7</sup> 15 U.S.C. 78f(b)(4) and (5).

designed to route to the primary listing market on arrival, are closely related to the NYSE's rebates for its members for providing liquidity, and the proposed change is consistent with the recent change to the NYSE Price List to lower its rebate for providing liquidity. While the proposed change would result in a decrease in the per share credit for PO+ Orders routed to the NYSE that provide liquidity to the NYSE, the rebate that the Exchange would provide to ETP Holders is competitive with the rate that NYSE provides to its members for providing liquidity and would maintain the same relationship between the rebate provide by the venue to which the PO+ Order is routed and the fees charged by the Exchange for such orders. Further, the proposed change is equitable and not unfairly discriminatory because the rebate would apply uniformly across pricing tiers and all similarly situated ETP Holders would be subject to the same credit.

Finally, the Exchange believes that it is subject to significant competitive forces, as described below in the Exchange's statement regarding the burden on competition. For these reasons, the Exchange believes that the proposal is consistent with the Act.

B. Self-Regulatory Organization's Statement on Burden on Competition

In accordance with section 6(b)(8) of the Act,<sup>8</sup> the Exchange believes that the proposed rule change would not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act. In particular, the routing credits would not place a burden on competition because the Exchange is maintaining the existing relationship between the rebate provided by the Exchange for PO+ Order that are routed to the NYSE that provide liquidity on the NYSE and the rebate the NYSE

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<sup>8</sup> 15 U.S.C. 78f(b)(8).

provides to its members that provide liquidity.<sup>9</sup>

The Exchange notes that it operates in a highly competitive market in which market participants can readily favor competing venues. In such an environment, the Exchange must continually review, and consider adjusting, its fees and credits to remain competitive with other exchanges. For the reasons described above, the Exchange believes that this proposal promotes a competitive environment.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change is effective upon filing pursuant to section 19(b)(3)(A)<sup>10</sup> of the Act and subparagraph (f)(2) of Rule 19b-4<sup>11</sup> thereunder, because it establishes a due, fee, or other charge imposed by the Exchange.

At any time within 60 days of the filing of such proposed rule change, the Commission summarily may temporarily suspend such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act. If the Commission takes such action, the Commission shall institute proceedings under section

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<sup>9</sup> See supra note 5.

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(2).

19(b)(2)(B)<sup>12</sup> of the Act to determine whether the proposed rule change should be approved or disapproved.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Comments may be submitted by any of the following methods:

##### Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>); or
- Send an e-mail to [rule-comments@sec.gov](mailto:rule-comments@sec.gov). Please include File Number SR-NYSEARCA-2015-70 on the subject line.

##### Paper comments:

- Send paper comments in triplicate to Brent J. Fields, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-1090.

All submissions should refer to File Number SR-NYSEARCA-2015-70. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet website (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld

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<sup>12</sup> 15 U.S.C. 78s(b)(2)(B).

from the public in accordance with the provisions of 5 U.S.C. 552, will be available for website viewing and printing in the Commission's Public Reference Room, 100 F Street, NE, Washington, DC 20549, on official business days between the hours of 10:00 a.m. and 3:00 p.m. Copies of the filing will also be available for inspection and copying at the NYSE's principal office and on its Internet website at [www.nyse.com](http://www.nyse.com). All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All submissions should refer to File Number SR-NYSEARCA-2015-70 and should be submitted on or before **[INSERT DATE 21 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]**.

For the Commission, by the Division of Trading and Markets, pursuant to delegated authority.<sup>13</sup>

Robert W. Errett  
Deputy Secretary

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<sup>13</sup> 17 CFR 200.30-3(a)(12).

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